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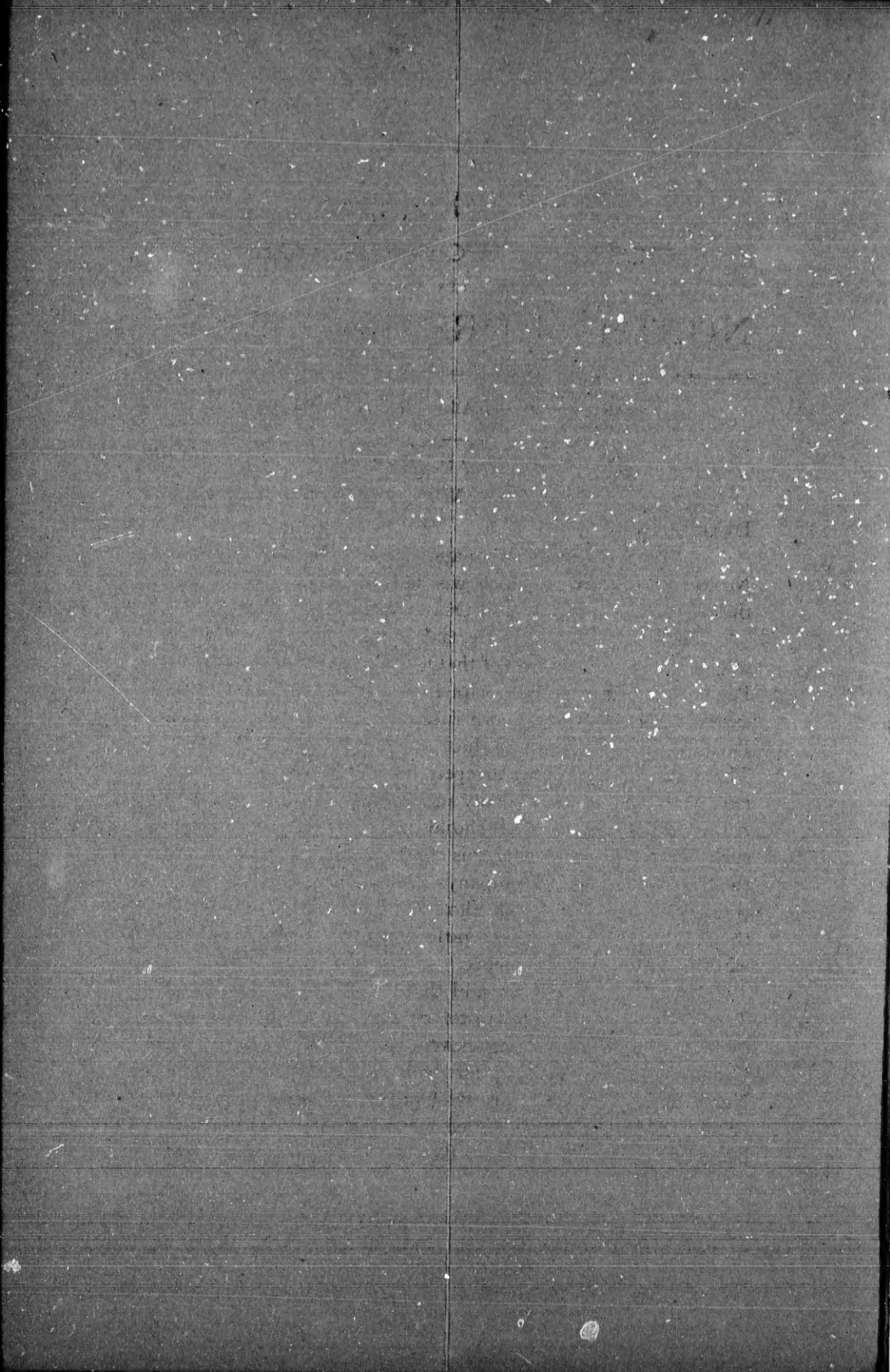
Grand Trunk Railway
Company of Canada.

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NORTH SHORE RAILWAY.

CORRESPONDENCE between the Grand Trunk
Railway Company, the Hon. the Minister of
Public Works, and the Canadian Pacific Railway
Company.

MARCH-APRIL, 1884.



CORRESPONDENCE
IN THE MATTER OF THE
NORTH SHORE RAILWAY.

GRAND TRUNK RAILWAY OF CANADA.

General Manager's Office,

MONTREAL, 29th March, 1884.

DEAR SIR,

Will you permit me to again refer to the matter of the North Shore Railway, which was spoken about when I had the pleasure of seeing you in Ottawa some short time ago.

You are no doubt aware that in the agreement for the sale of the western section of the Quebec lines to the Canadian Pacific Company, it was stipulated that traffic should be carried over the North Shore line, to and from the Canadian Pacific Railway, on terms which are mentioned in the deed. These conditions, I desire to repeat, the North Shore Company have been and are quite ready and willing to carry out, and I really do not see that there should be any difficulty in making such arrangements, under this contract, as would admit of the Canadian Pacific Company's traffic being satisfactorily transported over the North Shore Railway; that Company, if they should desire to do so, performing their own terminal work in Montreal and Quebec.

I would like also to add that in so far as the Grand Trunk Company are interested in the question, they are quite willing that running powers should be given to the Canadian Pacific Company for their through traffic over the North Shore Line on terms which might be mutually agreed; or, in case of difficulty, settled by arbitration. There has been no desire on the part of the Grand Trunk Company to

place difficulties in the way of the traffic of the Canadian Pacific Company reaching Quebec ; they simply became interested in the North Shore with a view to securing some protection against ruinous competition ; and I may add, in conclusion, that should it be an object with the Dominion Government to secure the control of the North Shore Line, I have no doubt terms could be arranged for its transfer to them, although there is no desire on the part of this Company to dispose of their interest in the railway.

I am,

Dear Sir,

Your very obdt. servt,

J. HICKSON,

General Manager.

Hon. Sir HECTOR LANGEVIN,

Minister of Public Works.

OTTAWA, 31st March, 1884.

MY DEAR MR. HICKSON,

I have just received and read your letter of the 29th instant, *re* North Shore Railway ; I shall submit it to the Privy Council to-morrow. In the meantime, I shall have a copy of it made, and send it to the President of the Pacific Railway Company, requesting him at the same time to communicate direct with you, if he wishes to take up the matter mentioned by you in this letter.

Yours very truly,

(Signed,)

HECTOR L. LANGEVIN.

J. HICKSON, ESQ.,

G. M., G.T.R., Montreal.

CANADIAN PACIFIC RAILWAY COMPANY,

Office of the President,

MONTREAL, 2nd April, 1884.

DEAR SIR HECTOR LANGEVIN,

I have to acknowledge the receipt of a copy of the letter dated 29th March, addressed to you by Mr. Hickson, and I need not say that this Company is gratified to learn that the Grand Trunk Company is prepared to carry out, as respects the North Shore Railway, the agreement for the sale to this Company of the western section of the Quebec lines, though we have had no indication heretofore of any such intention.

The agreement contemplated what was equivalent to a continuous through line from Quebec westward, over which the agreement declares all through traffic shall be carried. Yet the Grand Trunk has habitually sent its passenger traffic over the Canada Atlantic Railway, and has built a road called the Jacques Cartier Union Railway, expressly to enable it to carry passenger and freight traffic by that line, instead of sending it over the Canadian Pacific. And at this moment, it is engaged in a law suit for the purpose of compelling the Company to allow a portion of its line to be made a part of a through line from Quebec westward, for the carriage, amongst other traffic, of that destined for Ottawa and the Ottawa district.

The officials of the Grand Trunk Railway have informed us that the construction they place upon the agreement is, not that it creates any *obligation* to exchange through traffic, but merely that any through traffic which is carried over both roads shall be carried on the terms mentioned in the agreement.

The agreement provides that, as to through freight to and from points beyond Ottawa, the Pacific Company shall make the rates, and that as to freight between Ottawa and Quebec, the two companies shall agree upon the rates. Yet the Grand Trunk Company has very recently established rates,

without the consent of this Company, and without any agreement with it, for the carriage of through cars from St. Martin's Junction eastward.

It cannot be said, in the face of these facts, that the Grand Trunk has been willing to carry out the agreement, but I repeat that I shall be glad if, in future, the terms of the agreement can be carried out. In that case, all through freight (as the agreement states) must be carried over both routes at rates to be fixed as established by the agreement; and arrangements must be made for the sale of tickets and for the shipment of freight at Quebec to points at or beyond Ottawa, exclusively *via* the Canadian Pacific. And I quite agree with Mr. Hickson that, if the arrangements are made and carried out in good faith, in conformity with the understanding embodied in the agreement with the Government of Quebec, the traffic of this Company can be satisfactorily transported over the North Shore Railway to Quebec, as its summer port. As regards Mr. Hickson's suggestion as to running powers to Quebec, I must say that until our traffic is more fully developed, and a connection is made at Quebec with the Intercolonial Railway, so as to increase the value of through traffic, such running powers would be of questionable value; indeed, I doubt if, without participation in the local traffic, any amount of competitive through traffic would make running powers desirable,

If the provisions of the existing contract between the Government of Quebec and this Company, relating to the interchange of traffic, was carried out, the interests of the City of Quebec and of this Company will be as well protected as by the concession of running powers.

I remain,

Dear Sir Hector,

Very sincerely yours,

GEORGE STEPHEN,

President.

Hon. Sir HECTOR LANGEVIN, Ottawa.

OTTAWA, 5th April, 1884.

DEAR MR. HICKSON,

I have received from Mr. George Stephen, the President of the Canadian Pacific Railway, a letter, dated 2nd April, in answer to your letter of the 29th March, a copy of which I had sent him, as I advised you at the time.

I enclose a copy of Mr. Stephen's above-mentioned letter to me, and would wish that inasmuch as a letter has been written by both Companies, the correspondence may, in future, be continued directly between you and Mr. Stephen, without passing through my hands, thus avoiding unnecessary delays, and for me the necessity of carrying on a correspondence which may be avoided, without detriment to the interests of both companies.

I remain, &c.,

HECTOR L. LANGEVIN.

J. HICKSON,

Grand Trunk Railway Company, Montreal.

GRAND TRUNK RAILWAY OF CANADA.

General Manager's Office,

MONTREAL, April 9th, 1884.

DEAR SIR HECTOR,

I only got your letter of the 5th instant, on my return home yesterday morning.

You are aware that Mr. Stephen has left for England. I would just like to say in reference to his letter of the 2nd April, addressed to you, that personally I am not aware of any request having been made to the North Shore Company for rates or facilities for the traffic of the Canadian Pacific Company to and from Quebec, which has not been complied with; nor can I find, upon inquiry, that any application has been received from the Canadian Pacific Company for facilities on the North Shore Line which has been refused.

Mr. Stephen appears to interpret the agreement between the Quebec Government and the Canada Pacific Company, as meaning that there should be an *exclusive exchange* of traffic between the two Companies. I may say that I do not so interpret it, and it seems to me that the condition which stipulated that a connection with the Grand Trunk Company should be built, expressly implied the contrary—but the document is there to speak for itself, and if the parties interested cannot agree as to the interpretation of it, they could perhaps agree to refer the matter to some disinterested authority for decision.

I am,

Dear Sir Hector,

Yours very faithfully,

J. HICKSON.

Hon. Sir HECTOR LANGEVIN,

Minister of Public Works, Ottawa.

DEAR MR. HICKSON,

Your letter of the 9th is received. I sent a copy to Mr. Stephen, at London, England, and another copy to Mr. Drinkwater, at Montreal.

Yours truly,

HECTOR L. LANGEVIN.

OTTAWA, 11th April, 1884.

OTTAWA, 4th April, 1884.

MY DEAR MR. STEPHEN,

Referring to your conversation whilst the Pacific Railway Bill was under discussion, I and my colleagues desire to know with certainty whether your Company is prepared to carry out the idea then suggested, viz., that should your Company be unable to make the acquisition, in one way or

another, of the North Shore Railway, from Montreal to Quebec, within, say, three months from the end of the present Session, you should procure the construction of the connecting link between your railway and Quebec, on the north shore of the St. Lawrence, provided the Government grant a subsidy in aid of that undertaking.

I shall be glad to have your answer to this inquiry as explicitly as possible.

Yours very truly,

HECTOR L. LANGEVIN.

GEO. STEPHEN,

Montreal.

CANADIAN PACIFIC RAILWAY COMPANY.

Office of the President,

MONTREAL, 5th April, 1884.

DEAR SIR HECTOR LANGEVIN,

In answer to your note of yesterday, I have to say, that in accordance with the determination of this Company to obtain connection with the Port of Quebec as its summer terminus, we are now engaged in negotiations to obtain that object, from which we anticipate a favorable result.

I am glad to learn that the Government is considering the question of appropriating \$6,000 per mile in aid of the construction of a new line to Quebec, in the event of our not succeeding in arranging otherwise for connection with that port; and, in that case, although the Loan Act of this Session has so restricted us that we cannot ourselves undertake the construction of it, we shall be prepared to enter into any reasonable arrangement with any company building it, with the view of assisting to create a basis for the issue of bonds to supplement the subsidy.

While, however, I am glad to be able to comply with your wish to know with certainty what this Company will do in the matter of the summer terminus, it is of course impossible to define the precise form or conditions which will characterize the arrangements when finally made.

I remain, &c.,

GEO. STEPHEN, *President.*

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